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HOUSE BILL 981

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Al Park

AN ACT

RELATING TO TAXATION; INCREASING THE MAXIMUM AGGREGATE TAX RATE
ALLOWABLE FOR THE MUNICIPAL GROSS RECEIPTS TAX.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 7-19D-9 NMSA 1978 (being Laws 1978,
Chapter 151, Section 1, as amended) is amended to read:

"7-19D-9. MUNICIPAL GROSS RECEIPTS TAX--AUTHORITY TO
IMPOSE RATE.--

A. The majority of the members of the governing
body of any municipality may impose by ordinance an excise tax
not to exceed a rate of one and [~~one-fourth~~] one-half percent
of the gross receipts of any person engaging in business in the
municipality for the privilege of engaging in business in the
municipality. A tax imposed pursuant to this section shall be
imposed by the enactment of one or more ordinances, each

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1 imposing any number of municipal gross receipts tax rate
2 increments, but the total municipal gross receipts tax rate
3 imposed by all ordinances shall not exceed an aggregate rate of
4 one and [~~one-fourth~~] one-half percent of the gross receipts of
5 a person engaging in business. Municipalities with a
6 population of at least forty-five thousand according to the
7 last federal decennial census may impose increments of one-
8 eighth of one percent. All other municipalities may impose
9 increments of one-fourth of one percent.

10 B. The tax imposed pursuant to Subsection A of this
11 section may be referred to as the "municipal gross receipts
12 tax".

13 C. The governing body of a municipality may, at the
14 time of enacting an ordinance imposing the tax authorized in
15 Subsection A of this section, dedicate the revenue for a
16 specific purpose or area of municipal government services,
17 including but not limited to police protection, fire
18 protection, public transportation or street repair and
19 maintenance. If the governing body proposes to dedicate such
20 revenue, the ordinance and, if any election is held, the ballot
21 shall clearly state the purpose to which the revenue will be
22 dedicated, and any revenue so dedicated shall be used by the
23 municipality for that purpose unless a subsequent ordinance is
24 adopted to change the purpose to which dedicated or to place
25 the revenue in the general fund of the municipality.

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1 D. An election shall be called on the questions of
2 disapproval or approval of any ordinance enacted pursuant to
3 Subsection A of this section or any ordinance amending such
4 ordinance:

5 (1) if the governing body chooses to provide
6 in the ordinance that it shall not be effective until the
7 ordinance is approved by the majority of the registered voters
8 voting on the question at an election to be held pursuant to
9 the provisions of a home-rule charter or on a date set by the
10 governing body and pursuant to the provisions of the Municipal
11 Election Code governing special elections; or

12 (2) if the ordinance does not contain a
13 mandatory election provision as provided in Paragraph (1) of
14 this subsection, upon the filing of a petition requesting such
15 an election if the petition is filed:

16 (a) pursuant to the requirements of a
17 referendum provision contained in a municipal home-rule charter
18 and signed by the number of registered voters in the
19 municipality equal to the number of registered voters required
20 in its charter to seek a referendum; or

21 (b) in all other municipalities, with
22 the municipal clerk within thirty days after the adoption of
23 such ordinance and the petition has been signed by a number of
24 registered voters in the municipality equal to at least five
25 percent of the number of the voters in the municipality who

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1 were registered to vote in the most recent regular municipal
2 election.

3 E. The signatures on the petition filed in
4 accordance with Subsection D of this section shall be verified
5 by the municipal clerk. If the petition is verified by the
6 municipal clerk as containing the required number of signatures
7 of registered voters, the governing body shall adopt an
8 election resolution calling for the holding of a special
9 election on the question of approving or disapproving the
10 ordinance unless the ordinance is repealed before the adoption
11 of the election resolution. An election held pursuant to
12 Subparagraph (a) or (b) of Paragraph (2) of Subsection D of
13 this section shall be called, conducted and canvassed as
14 provided in the Municipal Election Code for special elections,
15 and the election shall be held within seventy-five days after
16 the date the petition is verified by the municipal clerk or it
17 may be held in conjunction with a regular municipal election if
18 such election occurs within seventy-five days after the date of
19 verification by the municipal clerk.

20 F. If at an election called pursuant to Subsection
21 D of this section a majority of the registered voters voting on
22 the question approves the ordinance imposing the tax, ~~[then]~~
23 the ordinance shall become effective in accordance with the
24 provisions of the Municipal Local Option Gross Receipts Taxes
25 Act. If at such an election a majority of the registered

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1 voters voting on the question disapproves the ordinance, [~~then~~]
2 the ordinance imposing the tax shall be deemed repealed and the
3 question of imposing any increment of the municipal gross
4 receipts tax authorized in this section shall not be considered
5 again by the governing body for a period of one year from the
6 date of the election.

7 G. Any municipality that has lawfully imposed by
8 the requirements of the Special Municipal Gross Receipts Tax
9 Act a rate of at least one-fourth of one percent shall be
10 deemed to have imposed one-fourth of one percent municipal
11 gross receipts tax pursuant to this section. Any rate of tax
12 deemed to be imposed pursuant to this subsection shall continue
13 to be dedicated to the payment of outstanding bonds issued by
14 the municipality that pledged the tax revenues by ordinance
15 until such time as the bonds are fully paid. A municipality
16 may by ordinance change the purpose for any rate of tax deemed
17 to be imposed at any time the revenues are not committed to
18 payment of bonds.

19 H. Any law [~~which~~] that imposes or authorizes the
20 imposition of a municipal gross receipts tax or [~~which~~] that
21 affects the municipal gross receipts tax, or any law
22 supplemental thereto or otherwise appertaining thereto, shall
23 not be repealed or amended or otherwise directly or indirectly
24 modified in such a manner as to impair adversely any
25 outstanding revenue bonds [~~which~~] that may be secured by a

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1 pledge of such municipal gross receipts tax unless such
2 outstanding revenue bonds have been discharged in full or
3 provision has been fully made therefor."

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